

# Economic Development Advisory Council

April 26, 2010

# Certified Regional Development Corporations (CRDC's)

- 2010 is the final year of Certified Regional Development Corporations contracts.
- Commerce will be issuing a Request For Proposal (RFP) later this summer to certify or re-certify 12 CRDC's
- Before issuing the RFP, we will need to update the Administrative Rules that govern the program

# CERTIFIED REGIONAL DEVELOPMENT CORPORATION REGIONS

## Montana Department of Commerce



# EDAC Responsibilities - MCA 2-15-1820

- The council shall:
  - (a) advise the department concerning the distribution of funds to certified regional development corporations for business development purposes in accordance with 90-1-116 and this section;
  - (b) .....
  - (c) .....
  - (d) prescribe allowable administrative expenses for which economic development funds may be used by certified regional development corporations;

Current

\$425,000



\$300,000

Base

\$60,000

Formula

\$65,000

Application

Annual Work Plan and Reports  
+ funds application

Proposed

\$425,000



\$360,000

Base

\$65,000

Formula

Quarterly Work Plan and Reports

## Current Rule

- 8.99.303 ASSISTANCE GRANTS DISTRIBUTION
- (1) The department shall distribute assistance grants annually as follows:
- (a) \$25,000 to each CRDC for providing services to their respective region. For the purpose of this rule, services means work in the development and management of revolving loan funds, business technical assistance, state and federal grants and programs, local and regional planning, business retention and expansion programs, and business recruitment programs;

## Proposed Rule

- 8.99.303 ASSISTANCE GRANTS DISTRIBUTION
- (1) The department shall ~~distribute~~ set aside assistance grants annually ~~as follows~~ based upon the following formula:
- (a) ~~\$25,000~~ \$30,000 to each CRDC for providing services to their respective regions based upon receipt of an acceptable work plan. For the purpose of this rule, services means work in the development and management of revolving loan funds, business technical assistance, state and federal grants and programs, local and regional planning, business retention and expansion programs, and business recruitment programs;

## Current Rule

- 8.99.303 ASSISTANCE GRANTS DISTRIBUTION cont.
- (b) \$60,000 to CRDCs according to the following formula:
  - (i) 35% shall be distributed based on the number of counties in the region served;
  - (ii) 25% shall be distributed based on the population of the region served;
  - (iii) 25% shall be distributed based on the size of the geographic area of the region served; and
  - (iv) 15% shall be distributed based on the number of incorporated cities or towns in the region served;
- (c) all assistance grants will be distributed, in the department's sole discretion, to CRDC's for demonstrated capacity building needs.

## Proposed Rule

- 8.99.303 ASSISTANCE GRANTS DISTRIBUTION cont.
- (b) ~~\$60,000~~ \$65,000 divided among the ~~to~~ CRDCs according to the following formula:
  - (i) 35% shall be distributed based on the number of counties in the region served;
  - (ii) 25% shall be distributed based on the population of the region served;
  - (iii) 25% shall be distributed based on the size of the geographic area of the region served; and
  - (iv) 15% shall be distributed based on the number of ~~incorporated cities or towns in the region~~ communities served;
- (c) all ~~remaining~~ assistance grants will be distributed on a quarterly basis, in the department's sole discretion, based upon the performance of the CRDC in meeting submitted work plans; ~~to CRDCs for demonstrated capacity building needs.~~

Geographic Area	# Inc Cities & Towns	% Total	\$	# Inc Cities, Towns and Designate d Places	% Total	\$	DIFFERENCE
REGION 1: LCCDC	12	9.68%	\$ 871	59	9.74%	\$ 876	5
REGION 2: MAEDC	5	4.03%	\$ 363	34	5.61%	\$ 505	142
REGION 3: HRC&D	14	11.29%	\$ 1,016	78	12.87%	\$ 1,158	142
REGION 4: SGD	14	11.29%	\$ 1,016	65	10.73%	\$ 965	(51)
REGION 5: MBAC	4	3.23%	\$ 290	29	4.79%	\$ 431	140
REGION 6: NRMRC&D	7	5.65%	\$ 508	39	6.44%	\$ 579	71
REGION 7: BPDC	11	8.87%	\$ 798	63	10.40%	\$ 936	137
REGION 8: SMDC	14	11.29%	\$ 1,016	49	8.09%	\$ 728	(288)
REGION 9: BRC&D	12	9.68%	\$ 871	58	9.57%	\$ 861	(10)
REGION 10: GNDC	18	14.52%	\$ 1,306	60	9.90%	\$ 891	(415)
REGION 11: SEMDC	6	4.84%	\$ 435	43	7.10%	\$ 639	203
REGION 12: EPRC&D	7	5.65%	\$ 508	29	4.79%	\$ 431	(77)
TOTAL 54 COUNTIES	124	100.00%	9,000	606	100%	9,000	



# Allowable uses of Funds

## 8.99.304 ASSISTANCE GRANTS – ALLOWABLE USES

- (1) As prescribed by the council, allowable administrative expenses for which assistance grants may be used by a CRDC include:
  - (a) personnel and operating expenses; and
  - (b) any other expenses deemed necessary by the council to maintain the organization's certification as a CRDC.

No Proposed Changes

THANK YOU!

- QUESTIONS?

<b>Certified Regional Development Corporation</b>	<b>Part A: \$25,000 Funding</b>	<b>Part B: Formula Funding</b>	<b>Part C: Discretionary Funding</b>	<b>TOTAL FUNDS AWARDED</b>
Bear Paw Development Corporation	\$ 25,000	\$ 5,376	\$ 5,000	\$ 35,376
Beartooth RC&D	\$ 25,000	\$ 7,303	\$ 5,000	\$ 37,303
Eastern Plains RC&D	\$ 25,000	\$ 3,695	\$ 5,000	\$ 33,695
Great Northern Development Corporation	\$ 25,000	\$ 5,595	\$ 7,500	\$ 38,095
Headwaters RC&D	\$ 25,000	\$ 7,003	\$ 6,000	\$ 38,003
Lake County Community Development Corp.	\$ 25,000	\$ 4,514	\$ 5,000	\$ 34,514
Missoula Area Economic Development Corp.	\$ 25,000	\$ 4,374	\$ 7,500	\$ 36,874
Montana Business Assistance Connection	\$ 25,000	\$ 3,527	\$ 5,000	\$ 33,527
Northern Rocky Mountain RC&D	\$ 25,000	\$ 3,770	-	\$ 28,770
Snowy Mountain Development Corporation	\$ 25,000	\$ 4,755	\$ 7,500	\$ 37,255
Southeastern Montana Development Corp.	\$ 25,000	\$ 3,992	\$ 6,500	\$ 35,492
Sweetgrass Development	\$ 25,000	\$ 6,095	-	\$ 31,095
<b>TOTAL</b>	<b>\$ 300,000</b>	<b>\$ 59,999</b>	<b>\$ 60,000</b>	